

DC, Michigan regulators make predictions at NEM event

The National Energy Marketers Assn (NEM) gathered a panel of state regulators to discuss the state of their retail markets at its 19th annual National Energy Restructuring Conference yesterday. A major issue for the District of Columbia (DC) PSC recently was “the merger,” Chairman Betty Anne Kane told the conference.

Kane’s two colleagues voted to approve Exelon’s purchase of Pepco Holdings recently, though she dissented on the decision (PMT, [March-24](#)). That decision is still possibly up for rehearing, so she could not say much, but Kane did want to note some of the many terms and conditions that did not get much press.

The terms of the merger will have Pepco give a \$14 million bill credit to residential customers. Kane wanted that to go into distribution costs alone but Pepco will explain how it will work later.

The deal also keeps Pepco as the “standard offer service” (SOS) supplier in the retail market. “It doesn’t override the authority of the commission to change that and to put (the SOS role) out to bid,” Kane said. “I’m actually pushing that we do that because it’s been that way. Just take another look at it.”

DC’s laws do not require that Pepco be the SOS supplier, but the commission kept in that role since the district restructured back in the ‘90s, she noted. The merger deal also required Pepco to make data from its smart meters available via the “Green Button” standard.

The PSC is moving onto to other things including an increased focus on DR, dynamic pricing and the future

of the grid. Some of that work was held off due to the EPSA case going to the Supreme Court (PMT, [Jan-26](#)), but now the commission is moving forward again, Kane said.

Former Michigan PSC Chairman John Quackenbush spoke to the NEM conference and focused on the energy bill his state Senate is still trying to get through. Efforts to get a bill through the legislature stalled last year, but now Energy & Technology Committee Chairman Michael Nofs, R-19th district, is working on another package.

The proposals last year ranged from eliminating the 10% cap on shopping to eliminating the retail market. Nofs backed a proposal to put much more onerous resource-adequacy requirements on retailers.

Nofs plans to complete a draft soon, hold a couple weeks of hearings and then get it past the Senate floor, Quackenbush said. The House could pass it before the summer, or it could come up in a lame-duck session in the fall.

The bill would likely keep the shopping cap and queue and it would include some kind of capacity charge for retailers, though Quackenbush said he was not sure on the specifics of that. Nofs’ bill this time included some benefits for the market in that it would let customers who are served by retailers that expand to have their expansions served by the markets, too.

That would expand the cap for customers whose business grows, rather than requiring the expansion to be served by the utilities, Quackenbush said.